

Message Text

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73

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 CIAE-00 PM-03 H-02 INR-07 L-03

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AMEMBASSY OSLO

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DIA WASHDC

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EO 11652: N/A

TAGS: ELAB, PO

SUBJ: LABOR DEVELOPMENTS

REF: LISBON 3479

SUMMARY: UNEMPLOYMENT OFFICIALLY RECOGNIZED AT 8 PERCENT,
PROBABLY IS HIGHER. INTERNAL POLITICAL CONFRONTATIONS WITHIN
UNIONS ON THE INCREASE WITH NON-COMMUNISTS BECOMING MORE ACTIVE.
END SUMMARY

1. UNEMPLOYMENT INCREASINGLY BECOMING ONE OF PRIMARY CONCERNS

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OF REVOLUTIONARY GOVERNMENT BUT VALID STATISTICS ARE LACKING.

REVOLUTIONARY COUNCIL DECLARATION OF JUNE 21 CITS 250,000 PORTUGUESE UNEMPLOYED, EIGHT PERCENT OF WORK FORCE. (COMMENT: IT IS OF INTEREST THAT THE MINISTRY OF LABOR'S DEPARTMENT OF EMIGRATION HAS PUBLISHED FIGURES IN ITS MONTHLY BULLETIN FOR OVERSEAS PORTUGUESE INDICATING THAT UNEMPLOYMENT HAS INCREASED FROM A LEVEL OF LESS THAN 3 PERCENT FOR THE YEARS 1970-73, TO 5.6 PERCENT IN 1974, TO AN ESTIMATED 8.6 PERCENT IN JUNE, 1975. THESE FIGURES, EVEN MORE PESSIMISTIC THAN THOSE OF THE REVOLUTIONARY COUNCIL, ARE PROBABLY DESIGNED TO ENCOURAGE PORTUGUESE WORKING ABROAD TO REMAIN THERE RATHER THAN RETURN AND ADD TO THE NATION'S UNEMPLOYMENT PROBLEM. THE NATIONAL EMPLOYMENT PROGRAM HAS THUS FAR PRODUCED FAR MORE TALK THAN RESULTS. END COMMENT.)

2. MEANWHILE, MOST UNIONS ARE PROCEEDING WITH THE GENERAL MEETINGS REQUIRED BY THE NEW LABOR ORGANIZATION LAW TO APPROVE UNION STATUTES IN ORDER TO OBTAIN LEGAL RECOGNITION. THIS INCREASE IN PARTICIPATION BY RANK AND FILE MEMBERSHIP IS FOMENTING CONFRONTATIONS BETWEEN POLITICAL FACTIONS WITHIN A NUMBER OF UNIONS. CIVIL CONSTRUCTION WORKERS UNION IN LISBON WAS SCENE OF BRAWL JUNE 15 WHICH CLOSED UNION HEADQUARTERS FOUR DAYS AND LED THE UNION'S PRO-INTERSINDICAL ADMINISTRATION TO RECESS THE DETENTION OF "AGITATORS" BY THE POLICE.

3. LISBON INSURANCE WORKERS UNION REJECTED ON JUNE 19 THE MINISTRY OF FINANCE'S PROPOSED DRAFT DECREE RESTRUCTURING THE RECENTLY NATIONALIZED INSURANCE INDUSTRY. THE POINT AT ISSUE WAS WHETHER THE INDUSTRY WOULD BE ORGANIZED UNDER SOME FORM OF "STATE-CAPITALISM," AS PORPOSED BY THE GOP AND SUPPORTED BY THE PRO-INTERSINDICAL UNION LEADERSHIP, OR BY SOME FORM OF CO-ADMINISTRATION WITH WORKER CONTROL, AS SUPPORTED BY SOCIALIST PARTY ELEMENTS. THE PRO-INTERSINDICAL LEADERSHIP RESIGNED AS RESULT OF THE SETBACK, AND IS OPERATING IN A CARETAKER STATUS PENDING NEW UNION ELECTIONS.

4. OPORTO MOTORISTS UNION IS ONE OF SEVERAL UNIONS IN NORTHERN PORTUGAL WHICH HAS RECENTLY REBUFFED COMMUNISTS. OPORTO BANK WORKERS HAVE VOTED TO REMAIN IN INTERSINDICAL BUT WITH UNDERSTANDING THAT THEY ARE OPPOSED TO INTERSINDICAL'S POLITICAL ORIENTATION. (COMMENT: THE ABOVE WOULD SUBSTANTIATE THE OPINION OF THE EMBASSY AND CONSUL, OPORTO, THAT THERE IS A HIGHER DEGREE LIMITED OFFICIAL USE

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OF OPPOSITION TO THE COMMUNIST DOMINATION OF INTERSINDICAL IN THE NORTH THAN IN THE LISBON AREA. END COMMENT.)

5. INTERSINDICAL'S PATENT POLITICAL ORIENTATION HAS CAUSED IT TO LOSE SOME POPULAR SUPPORT, E.G., ITS CALL OF A NATIONAL DAY OF WORK ON PORTUGAL DAY (JUNE 10), A NORMAL HOLIDAY, WAS IGNORED BY THE VAST MAJORITY OF WORKERS. HOWEVER, INTERSINDICAL IS CONSOLIDATING ITS RECOGNIZED POSITION AS PORTUGAL'S LABOR CON-

FEDERATION AND IS REFURBISHING AND IMPROVING ITS OFFICES TO ACCORD WITH ITS STATUS. ITS CONTINUED SUBORDINATION TO PCP POLICIES IS EVIDENT FROM ITS CALL JUNE 18 FOR THE CREATION OF COMMISSIONS FOR THE DEFENSE OF THE REVOLUTION, A CURRENT OBJECTIVE OF THE PCP.

6. CONTINUING INSTABILITY IN LABOR SECTOR EVIDENT BY INTERVENTION OF COPCON OFFICERS IN STRIKE BY 4,500 LISBON TELEPHONE WORKERS. THIS STRIKE IS PRIMARILY OVER WAGE DISPUTE AND IS NOT SUPPORTED BY BULK OF POST AND TELECOMMUNICATION WORKERS WHO ACCEPTED GOP WAGE OFFER. COPCON IN DIFFICULT POSITION OF WISHING TO SHOW SYMPATHY FOR "JUST DEMANDS" OF WORKERS BUT AT SAME TIME TRYING TO END TROUBLESOME DISPUTE. FACT THAT COPCON INVOLVED AT ALL SHOWS THAT LABOR/MANAGEMENT RELATIONS ARE STILL BEING CONDUCTED IN NON-FORMALIZED MANNER AND ARE OPEN TO ANYONE HAVING THE TEMERITY TO INTERVENE.
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